

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 1 — 0 0 4

2. STATE:

New Mexico

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

January 1, 2002

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 412.92

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ -0-

b. FFY 2003 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A
Page 199. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

same as #8

10. SUBJECT OF AMENDMENT:

Exception to the 35 mile prohibition for sole community hospital.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:

Medicaid Director

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Robert T. Maruca

14. TITLE:

Director, Medical Assistance Division

15. DATE SUBMITTED:

December 24, 2001

16. RETURN TO:

Robert T. Maruca, Director
Medical Assistance Division
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

January 7, 2002

18. DATE APPROVED:

February 11, 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

Sandra Hall

21. TYPED NAME:

for Calvin G. Cline

22. TITLE:

Associate Regional Administrator
Division of Medicaid and State Operations

23. REMARKS:

- a. To qualify for a sole community hospital payment adjustment, an acute care hospital must meet the Medicare classification criteria for a sole community hospital as set forth at 42CFR 412.92 as of July 1, 1993 and retain such qualification regardless of a subsequent change in their Medicare classification. The hospital must qualify for a sole community hospital designation in the month prior to the effective date for the sole community adjustment. If a hospital already has a sole community designation from Medicare, this designation will be accepted by the Medicaid program. If for some reason, the hospital elected not to apply for sole community hospital designation under Medicare but wishes to apply for Medicaid purposes only, such application must be made directly to the Medicaid program. The Medicaid program will review the application in accordance with the criteria contained at 42 CFR 412.92. Any new acute care general hospital entering the program who wish to qualify for a sole community hospital designation must meet all of the criteria contained at 42 CFR 412.92 (a) with the exception of being located more than 35 miles from other like hospitals. The new hospital must also be enrolled as a Medicaid provider for a minimum of one year in order to received the sole community hospital designation.
- b. For an in-state acute care hospital that qualifies as a sole community hospital in accordance with paragraph (a) above, the Department will made a quarterly sole community hospital payment at the end of each quarter. For the initial payment year (July 1, 1993, through June 30, 1994), the payment is the amount specified under paragraph (c) below. For subsequent years, the amount will be the amount calculated under paragraph (d) through (f) below.
- c. For the initial payment year, the sole community hospital payment amount will be equal to the amount the hospital received from county government, either through the County Indigent Claims Act or by mill levy revenues dedicated to supporting the hospital's operating expenses, for calendar year 1992 (the base year) plus the inflation factor described in §III.C.8. of this plan. Verification of the base year amount will be made from the official report of expenditures by each county. Hospitals will have the opportunity to challenge the amount by filing an appeal with the Department within 30 days from the date they receive notice from the state of their sole community payment amount. If the hospital qualifies for the sole community designation later than the effective date of this plan amendment, the Medicaid program will prorate the sole community payment adjustment for the first quarter from the date of qualification to the end of that

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* Pen & ink change made per State's request.

SUPERSEDES: TN- NM-92-14

STATE <u>New Mexico</u>	A
DATE REC'D <u>01-07-02</u>	
DATE APPV'D <u>02-11-02</u>	
DATE EFF <u>01-01-02</u>	
HCFA 179 <u>NM-01-04</u>	



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services

Calvin G. Cline

Associate Regional Administrator, Medicaid and State Operations

1301 Young Street, Room 827
Dallas, Texas 75202
Phone (214) 767-6301
Fax (214) 767-0270

February 11, 2002

Our reference: SPA-NM-01-04

Mr. Robert T. Maruca, Director
Medical Assistance Division
New Mexico Human Services Department
Post Office Box 2348
Santa Fe, New Mexico 87504-2348

Dear Mr. Maruca:

We have reviewed the proposed amendment to your Medicaid State plan submitted under transmittal no. (TN) 01-04. Effective January 1, 2002, the qualification requirements for hospitals to receive the sole community hospital payment adjustments have been revised. Hospitals previously receiving the adjustment are grandfathered as a sole community hospital for Medicaid purposes regardless of a change in Medicare designation. New hospitals that wish to participate must meet all of the Medicare qualifications for sole community hospitals except the requirement to be located 35 miles from other like hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13)(A), 1902(a)(30), and 1923 of the Social Security Act and the implementing regulations at 42 CFR 447 Subpart C. We have approved the amendment for incorporation into the official New Mexico State plan, effective for services provided on or after January 1, 2002. We have enclosed a copy of HCFA-179, transmittal no. 01-04, dated February 11, 2002, and the amended plan page.

If you have any questions, please call Billy Bob Farrell at (214) 767-6449.

Sincerely,

Sandra Hall
for Calvin G. Cline
Associate Regional Administrator
Division of Medicaid and State Operations

Enclosures

cc: Elliot Weisman, CMSO, PCPG
Commerce Clearing House

